

**NEBRASKA INVESTMENT COUNCIL
MINUTES OF THE MEETING OF
September 2, 2009**

A special meeting of the Nebraska Investment Council convened at 8:30 a.m. at the Embassy Suites Hotel in LaVista, NE.

Public notice was posted on the Nebraska Public Meeting Calendar on July 27, 2009, and published in the Lincoln Journal Star on August 9, 2009. Ms. Werner-Robertson chaired the meeting and Ms. Dawes recorded the minutes.

MEMBERS PRESENT:

Ms. Gail Werner-Robertson, Chairwoman
Dr. Richard DeFusco
Mr. John Maginn
Mr. John Dinkel
Mr. Norm Riffel
Ms. Phyllis Chambers

MEMBERS ABSENT:

Treasurer Osborn

NONMEMBERS IN ATTENDANCE:

Ms. Kathy Dawes, Council Secretary
Mr. Kevin Vandolder, Ennis Knupp + Associates
Mr. Christopher Heinrich, Harding & Shultz
Mr. Gary Hudepohl, Hudepohl & Associates
Ms. JoLynn Winkler, Nebraska Investment Council
Mr. Jason Hayes, Deputy State Treasurer
Senator Dave Pankonin, Nebraska Retirement Systems Committee
Ms. Kate Allen, Nebraska Retirement Systems Committee
Ms. Kathy Tenopir, Legislative Fiscal Office
Mr. Gary Bush, DAS Budget

ADVISE THE PUBLIC THAT THE OPEN MEETINGS LAWS APPLY: 8:31 a.m. to 8:32 a.m. Ms. Werner-Robertson stated that a copy of the Open Meetings Act is located on the side table.

COUNCIL MEMBER BUSINESS: 8:32 a.m. to 8:35 a.m. Ms. Werner-Robertson welcomed everyone to the meeting and informed the Council that due to a scheduling conflict, Treasurer Osborn was unable to attend today's meeting and that Mr. Hayes, Deputy State Treasurer would be representing the Treasurer. Ms. Werner-Robertson stated that the purpose of today's meeting is to interview the finalists for the State Investment Officer (SIO) position. Ms. Werner-Robertson expressed her gratitude to the SIO Search Committee for their diligent behind the scenes work done in bringing excellent SIO candidates to the Council for consideration. Ms. Werner-Robertson asked if any member would like the Council to consider any other candidates for the SIO position other than those brought forth by the SIO Search Committee, but no additional candidates were suggested.

STATE INVESTMENT OFFICER CANDIDATES: 8:35 a.m. to 11:15 a.m. Dr. DeFusco introduced Mr. Gary Hudepohl with Hudepohl & Associates, the executive search firm hired by the Council to conduct the SIO search. Hudepohl & Associates specializes in investment management and public pension fund personnel searches. Mr. Hudepohl would be introducing the three finalists to the Council. Dr. DeFusco reviewed the process that will be used for today's interviews. Dr. DeFusco indicated that each candidate would be asked questions in the following five areas: (1) overview of relevant work experience and qualifications; (2) investment experience; (3) investment philosophy; (4) leadership and management; and (5) external relationships. Ms. Werner-Robertson would then open the interviews to questions from all of the Council members. The following candidates were then interviewed by the Council: Mr. Charles D. Wall; Waco, TX, Mr. Jeffrey W. States; Woodland, CA, and Mr. Joseph P. Jurich, Lincoln, NE.

Following the interviews, Dr. DeFusco requested that Mr. Hudepohl review with the Council the search process used by Hudepohl & Associates. Mr. Hudepohl stated that the SIO Search Committee did a great job and that it was a pleasure working with them. Mr. Hudepohl reviewed the search process which included the following: (1) development of the position profile; (2) advertising; (3) number of contacts made; (4) number of applications received; (5) number of interviews conducted; and (6) number of recommended finalists. Mr. Hudepohl stated

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that Hudepohl & Associates performed numerous background checks including criminal and professional credentials and that there were no exceptions to the report.

Ms. Werner-Robertson thanked Senator Pankonin, members of the Nebraska Retirement Systems Committee, the Appropriations Committee, and the Governor's office for their support in conducting the SIO search.

Copies of the candidates' resumes were included in the meeting book. Copies of the interview questions are included in the attachments to the minutes.

CLOSED SESSION: 11:15 a.m. to 12:55 p.m. Mr. Maginn moved to enter closed session. The subject matters of the closed session are:

- (i) deliberations of the candidates for State Investment Officer, and
- (ii) negotiation authority and strategy relating to the SIO employment agreement.

The reasons for the closed session are:

- (a) to prevent the needless injury to the reputation of the candidates, and
- (b) to protect the public interest by keeping the Council's negotiating terms and strategies confidential.

Mr. Dinkel seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE:	Dr. DeFusco
	Mr. Maginn
	Mr. Dinkel
	Mr. Riffel
	Ms. Werner-Robertson

The motion carried.

Ms. Werner-Robertson requested that only the voting and non-voting members of the Council, Mr. Heinrich, Senator Pankonin, Mr. Hayes, and Mr. Vandolder be present and all others in attendance were excused.

At 11:30 a.m. Senator Pankonin and Mr. Vandolder left the meeting.

At 12:55 p.m. Mr. Dinkel moved that the Council return to open session. Mr. Maginn seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE:	Mr. Maginn
	Mr. Dinkel
	Mr. Riffel
	Ms. Werner-Robertson
	Dr. DeFusco

The motion carried.

AUTHORIZATION TO NEGOTIATE SIO EMPLOYMENT AGREEMENT: 12:55 p.m. to 12:56 p.m. Dr. DeFusco moved to appoint Gail Werner-Robertson to negotiate mutually acceptable employment terms and conditions with the State Investments Officer candidate as directed by the Council; provided, however, that Gail Werner-Robertson shall not have the authority to bind the Council. Such terms and conditions shall be within the boundaries of the negotiating authority prescribed by the Council.

Any definitive employment arrangement or agreement by and between the Council and the State Investment Officer candidate must be approved by the Council. Furthermore, the appointment of the SIO shall be subject to the approval of the Governor and a majority of the Legislature, as required by law. Mr. Riffel seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE:	Mr. Dinkel
	Mr. Riffel

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Ms. Werner-Robertson
Dr. DeFusco
Mr. Maginn

The motion carried.

PUBLIC COMMENT ON THE AGENDA: 12:56 p.m. to 12:57 p.m. Ms. Werner-Robertson asked if there was any public comment on the agenda. There was no public comment on the agenda.

At 12:57 p.m. Mr. Dinkel moved to adjourn the meeting. Dr. DeFusco seconded the motion. Ms. Werner-Robertson called for a roll call vote.

VOTING AYE:

Mr. Riffel
Ms. Werner-Robertson
Dr. DeFusco
Mr. Dinkel
Mr. Maginn

The motion carried.


Kathy Dawes, Secretary